

August 23, 2006

The Honorable Mark Sanford
Office of the Governor
P.O. Box 11829
Columbia, SC 29211

Dear Governor Sanford:

The Department of Motor Vehicles will not be requesting any new operating or capital funding in its FY 2007 – 2008 budget submission.

However, the Department does request 50 additional unfunded FTEs to be used to convert existing temporary positions into full-time positions, as well as, to establish a pool of positions to hire and train employees in key customer service positions prior to being assigned to permanent locations within the Agency. Based on our revenue projections, we believe that we will generate sufficient funding for these positions from within our existing revenue base.

If you should have any questions or need additional information, please do not hesitate to call me. Thank you for your consideration of this request and your continued support of the Department of Motor Vehicles.

Sincerely,

Marcia S. Adams
Executive

Director

FY 2007-08 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

I. 2% COST SAVINGS ASSESSMENT

- A. Agency Section/Code/Name: Section 36A / R40 / SC Department of Motor Vehicles
- B. Agency Activity Number and Name: 1410: Compliance – Dealer Licensing, Regulation and Enforcement
- C. Explanation of Cost Savings Initiative: DMV feels that this activity is not in line with the core mission of our Agency and would be better suited if transferred to LLR.
- D. Estimate of Savings:

FY 2007-08 Cost Savings Estimates:	General	Federal	Other	Total
Personnel:				
(a) Number of FTEs			23	23.0
(b) Personal Service			642,454	\$642,454
(c) Employer Contributions			198,139	\$198,139
Program/Case Services				\$ 0
Pass-Through Funds				\$ 0
Other Operating Expenses			466,184	\$466,184
Total	\$ 0	\$ 0	1,306,777	\$1,306,777

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):
 The DMV administers all laws pertaining to the buying, selling and exchanging of motor vehicles in this state. The Department of Labor, Licensing and Regulation is responsible for the licensing and regulation of professional occupations and businesses throughout the state. We believe that in order for DMV to carry out its responsibilities fairly and without conflict of interest, the licensing and regulation of motor vehicle and motorcycle manufacturers,

distributors, wholesalers and dealers should be transferred to LLR. All licensing fees associated with this licensing function should be transferred to LLR to defray the expenses of administering and enforcing the program.

F.

Summary of Cost Savings Initiatives for FY 2007-08:	FUNDING				FTEs			
	General	Federal	Other	Total	State	Fed.	Other	Total
Initiative Title:	0	0	1,306,777	\$1,306,777	0	0	23	23.0
Activity Number & Name: 1410, Compliance – Dealer Licensing, Regulation and Enforcement								
Initiative Title:	0	0	0	\$0	0	0	0	0.0
Activity Number & Name:								
Initiative Title:	0	0	0	\$ 0	0	0	0	0.00
Activity Number & Name:								
TOTAL OF ALL INITIATIVES	\$ 0	\$ 0	\$1,306,777	\$1,306,777	0.00	0.00	23	23.0

FY 2007-08 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

II. PRIORITY ASSESSMENT OF AGENCY ACTIVITIES

- A. Agency Section/Code/Name: Section 36A / R40 / SC Department of Motor Vehicles
- B. Agency Activity Number and Name: 1410: Compliance – Dealer Licensing, Regulation and Enforcement
 1411: MCS – State Highway Fuel Tax Funding
 1412: Compliance – Highway Safety Statistical Data Entry
- C. Explanation of Lowest Priority Status: DMV feels that the 3 activities listed above are not in line with the core mission of our Agency and would be better suited if transferred to other Agencies, i.e., LLR, DOT, and DPS, respectively.
- D. Estimate of Savings:

Estimate of Savings:	General	Federal	Supplemental	Capital Reserve	Other	Total
Personnel:						
(a) Number of FTEs	0	0	0	0	44	44
(b) Personal Service	0		0	0	1,651,204	\$1,651,204
(c) Employer Contributions	0		0	0	480,698	\$480,698
Program/Case Services	0	0	0	0	0	\$ 0
Pass-Through Funds	0	0	0	0	0	\$ 0
Other Operating Expenses	0	0	0	0	552,001	\$552,001
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$2,683,903	\$2,683,903

E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):

Activity 1410: The DMV administers all laws pertaining to the buying, selling and exchanging of motor vehicles in this state. The Department of Labor, Licensing and Regulation is responsible for the licensing and regulation of professional occupations and businesses throughout the state. We believe that in order for DMV to carry out its responsibilities fairly and without conflict of interest, the licensing and regulation of motor vehicle and motorcycle manufacturers, distributors, wholesalers and dealers should be transferred to LLR. All licensing fees associated with this licensing function should be transferred to LLR to defray the expenses of administering and enforcing the program.

Activity 1411: Currently the DMV administers the statutes regarding the International Fuel Tax Agreement. All revenues realized from this program, after refunds are paid to other states, are transferred to DOT to be used in highway construction and for maintenance. DMV is reimbursed by DOT for operating costs associated with administering this program. For the past several years, DOT has had to contribute over \$1 million to fund refunds to other states. We believe that if DOT administered this program, the operating costs could be absorbed within its operations and possibly reduce the amount being funded to DMV for this program.

Activity 1412: The DMV is the official agency of record for accident data as it relates to driver history. DMV proposes to continue receiving and processing accident reports for its purposes. However, DMV would then send the reports to the DPS's Office of Highway Safety for the entry of accident data used for statistical purposes. Through the use of federal grants, DPS may be able to procure and utilize GPS technology to allow them to track accident locations for improved enforcement as well as eliminate the need to manually locate accidents and key data as is currently being done by DMV employees.

F.

Summary of Priority Assessment of Activities	General	Federal	Supplemental	Capital Reserve	Other	Total	FTEs
Activity Number & Name: 1410, Compliance – Dealer Licensing, Regulation and Enforcement	0	0	0	0	1,306,777	\$ 1,306,777	23
Activity Number & Name: 1411, MCS – State Highway Fuel Tax Funding	0	0	0	0	1,005,881	\$ 1,005,881	5
Activity Number & Name: 1412, Compliance – Highway Safety Statistical Data Entry	0	0	0	0	371,245	\$371,245	16
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
TOTAL OF LOWEST PRIORITIES	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,683,903	\$ 2,683,903	44